

ALABAMA EMERGENCY MANAGEMENT AGENCY
REQUEST FOR PROPOSAL
for
ENERGY SAVINGS PERFORMANCE CONTRACTING

ENERGY SAVINGS PERFORMANCE CONTRACTING PROJECT

Issued by: *Alabama Emergency Management Agency*

The *Alabama Emergency Management Agency* located in Clanton, Chilton County, Alabama (the "Institution") is seeking specific proposals from interested Energy Services Companies ("ESCOs") which are capable of providing comprehensive energy management and energy-related capital improvement services at the buildings described in Attachment A of this Request for Proposal ("RFP").

PROJECT OVERVIEW

The Institution is interested in contracting for a full range of energy services and energy-related capital improvements (the "Project") designed to reduce energy and/or water use and related costs at its facility(s). These services and improvements are to be delivered on a performance contracting basis which may allow the Institution to: a) incur no initial capital cost, b) achieve significant long term savings which are measured and verified, c) obtain an annual savings guarantee which will be equal to or greater than the total annual project costs, d) obtain consistent levels of occupant comfort and system functionality, e) capture environmental benefits such as hazardous material disposal, and f) finance the Project through an installment payment or a lease-purchase arrangement over an extended contract term.

The Institution seeks to maximize energy savings and related improvements within the framework of the allowable 20-year contract term and must comply with the statutory provisions for available financing as contained in the Code of Alabama 1975; therefore, ESCOs are encouraged to structure a project which provides the greatest possible energy, water, and operation and maintenance ("O&M") savings and the most beneficial project scope for the Institution. The Institution is interested in essential services and improvements that will reduce facility energy and/or water consumption, upgrade energy-related capital equipment, improve building O&M, save costs through fuel switching, improve demand management, and alternative utility tariffs or alternative commodity purchases, and aid in meeting the Institution's environmental management responsibilities.

GENERAL GUIDANCE

For project savings and cash flow demonstration purposes, the allowable rates of escalation and tax-exempt interest rate to be used in the proposal are detailed in **Part IV, B-10** of this RFP.

Any stipulated energy and/or operational cost savings that may be attributed to the Project will be rigorously reviewed and, if agreed to, will be limited to those that can be thoroughly documented and verified by the ESCO and approved by the Institution.

REQUIRED CAPABILITIES

The ESCO must have the demonstrated technical and managerial capabilities to provide a comprehensive set of energy and/or water services including, but not limited to, an investment grade audit, design, acquisition, installation, training and commissioning of new and/or existing energy systems as well as project monitoring and savings measurement and verification. Additional services may include operation and maintenance for all improvements and/or training of the Institution's staff on routine maintenance and operation of systems. Monitoring and verification services shall include appropriate measurement and timely reporting of the performance and savings from project.

OVERVIEW OF TERMS AND CONDITIONS

Contract Term. No contract shall exceed the average useful life of the energy cost savings measures or 20 years in duration and may be subject to annual appropriations. The duration of the contract will be mutually determined between the ESCO and the Institution based on authorizing legislation, final project scope and financial factors.

Guarantee. The Project must result in a guaranteed minimum **annual** energy, water and O&M savings, as well as defined levels of occupant comfort, maintenance, monitoring, training or other services. The goal of the Project is to achieve savings sufficient to cover all project costs including lease or installment payments and fees for maintenance, monitoring, training and other services, on an annual basis for the duration of the contract term.

Financial Review. Detailed financial projections of project benefits are dependent upon the scope of technical measures finally selected and installed. It is premature to place a major emphasis on projected financial benefits prior to the completion of the investment grade energy audit and negotiation of the project structure.

PROCUREMENT PROCESS

The evaluation and selection of an ESCO, and the negotiation and procurement of services will proceed as follows:

Site Visits. Prior to the submission of proposals and upon request, the Institution will arrange a walk-through inspection tour of the buildings described in this RFP. Knowledgeable representatives will be available to answer questions about the operation of the facilities. All ESCOs are encouraged to carefully review the facility profile information contained in **Attachment E** of this RFP and to visit the facility in order to enhance their understanding of existing building conditions and opportunities. To make arrangements for a walk-through inspection tour, please contact the following person by **December 8, 2008**):

Name: Terry DeV Vaughn **Phone Number : (205) 280-2245**

Fax: (205) 280-2243 **E-mail: terry.devaughn@ema.alabama.gov**

Submission of Written Proposals. ESCO's interested in providing the services requested, must respond in writing by the date specified above. All submissions become the property of the Institution and will not be returned to the ESCO. All costs associated with submission preparation will be borne by the submitting ESCO.

Proposal Review and Selection of Finalists. The Institution will establish a Project Evaluation Team to review and evaluate the ESCOs written responses to this RFP in accordance with the evaluation criteria identified in Part II of this document. The Project Evaluation Team will check client references which will also be evaluated. The Institution intends to select no more than three (3) ESCOs as finalists.

Institution reserves the right to reject any or all submissions and to waive informalities and minor irregularities in submissions received and to accept any submissions if deemed in the best interest of Institution to do so.

ESCO Interviews and Ranking. Each of the finalist ESCOs will participate in a detailed oral interview to answer questions from the Project Evaluation Team and more fully discuss how its approach to the Project satisfies the evaluation criteria. All persons with major responsibility for the Project's technical design, management and contract negotiation should be present at the interview, however, no more than 5 people may attend on behalf of an ESCO. Each oral interview may be recorded. A more complete description of the interview process and format will be sent to each of the finalist ESCOs. Based on results from the written responses to the RFP, client reference responses, and the oral interviews, the Project Evaluation Team will rank the finalist ESCOs. Contract negotiations will proceed with the top-ranked ESCO.

Development of Energy Audit Agreement. Institution intends to negotiate a contract for the investment grade audit. If an acceptable technical energy audit agreement cannot be negotiated within 5 days from the date of ESCO selection, negotiations with the next-ranked ESCO may be initiated.

Development of Energy Services Agreement. After completion and acceptance of the investment grade audit, Institution intends to negotiate an Energy Services Agreement (ESA). If an acceptable ESA cannot be negotiated within 5 days from the date of acceptance of the detailed energy audit, negotiations with the next-ranked ESCO may be initiated.

To aid companies in their response to this request the following items are attached:

PART I:	Proposed Project Schedule	5
PART II:	Evaluation Criteria	6
PART III:	Contract Terms and Conditions	8
PART IV:	Instructions to Proposers	10
PART IV-A:	ESCO Profile and Qualification Form	12
PART IV-B:	ESCO Proposed Approach to Project	19
PART IV-C:	Supporting Technical Documents	21
Attachment A:	Technical Facility Profile	
Attachment B:	Proposed Energy Audit Agreement	

PART I
PROPOSED PROJECT SCHEDULE

The following is the proposed project schedule and may be adjusted as necessary during the procurement of services.

ACTIVITY	DATE
Issue RFP	Oct. 20th
Site Visit (to be arranged) *	Nov. 3rd
Proposals Due	Dec. 19th
Proposal Review and Selection of Finalists	Jan. 7th
ESCO Interviews and Ranking	Jan. 21st
Development of Energy Audit Contract (includes negotiation and signing)	Jan. 28th
Investment Grade Audit, Project Analysis	Feb. 27th
Audit Review and Development of Energy Services Agreement (ESA) (includes negotiation, Agency approval, 10 days public notice and signing)	March 13th

Site visits may be arranged by contacting:

Terry DeVaughn

(205) 280-2245

PART II

EVALUATION CRITERIA

Evaluation of Proposals: Responses will be evaluated based on the quality and completeness of the information provided. Failure to provide any of the requested information may result in disqualification. The criteria listed below will be used in the evaluation of the written proposals, client references, and responses of the finalist ESCOs during oral interviews, as appropriate. The criteria have been weighted. These criteria will be applied and interpreted solely at the discretion of Institution.

EVALUATION CRITERIA COMPUTATION

1. Experience (25% of total score)

- A Level of past experience with similar projects
- B Qualifications of key personnel assigned to this project
- C Ability to achieve projected energy savings on past projects
- D Amount of experience arranging project financing
- E Quality of project history and client reference documentation
- F ESCO should be NAESCO or DOE certified, documentation required
(In the event an ESCO is not certified a detailed accounting of projects awarded will be required, the Department has the right to require further documentation as necessary)

2. Project Management (20% of total score)

- A Overall responsiveness to project goals
- B Quality of project summary
- C Quality of project history documentation
- D Quality of sample training description
- E Clarity of standard billing procedures and Customer Savings Report
- F Approach to construction scheduling
- G Attractiveness and readability of sample contract
- H Ability to meet tight project constraints and fast track processes

3. Technical Approach (25% of total score)

- A Quality of approach to project technical design
- B Quality of sample savings measurement and verification plan
- C Accuracy and clarity of baseline calculations and quality of computer modeling prog.
- D Method(s) for determining and making baseline adjustments
- E Accuracy and clarity of methods for measuring and documenting energy and other cost savings
- F Quality of sample savings measurement and verification report
- G Quality of technical audit and analysis procedures
- H Understanding of the existing building conditions, systems, operations, and schedules
- I Quality and attractiveness of approach to project operation and maintenance

- J Quality of Sample maintenance plan
- K Quality of approach and project commissioning and Sample Commissioning Plan
- L Quality of Sample Investment Grade Technical Audit

4. Financial (20% of total score)

- A Financial soundness and stability of the ESCo.
- B Reasonableness of estimated audit cost
- C Attractiveness of ESCOs proposed fee calculation
- D Accuracy and clarity of methods to determine dollar value and energy savings of the project
- E Attractiveness of proposed savings guarantee and methods of reconciliation
- F Demonstrated ability to provide or arrange project financing.

5. Project References (10% of total score)

PART III
CONTRACT TERMS AND CONDITIONS

The minimum contract terms and conditions the Institution will accept from the selected ESCO include:

1. Technical Requirements

Investment Grade Energy Audit. The selected ESCO must perform and present the results from a detailed investment grade energy audit of acceptable quality to the Institution. The proposed audit terms and conditions are specified in the Proposed Energy Audit Agreement located in **Attachment B**. If Institution decides not to enter into a contract after the audit has been accepted, the Institution agrees to pay the cost of the audit as stated in the audit agreement, provided that the proposed contract terms offered by the ESCO meet all the conditions set forth in the audit agreement and this RFP.

Standards of Comfort and Service. The ESCO will be responsible for maintaining the levels of comfort and service for each building as specified in the ESA.

Professional Engineer Involvement. A registered professional engineer must, at a minimum, review and approve design work done under this contract. All projects done under this contract must comply with the currently accepted codes, standards and regulations of the Alabama Building Commission and must be submitted for review/approval by the Alabama Building Commission.

Guaranteed Savings. The Institution requires a minimum **annual** guaranteed level of savings approach to the Project. If the Project does not generate the guaranteed level of savings in any given year, the ESCO will be responsible for reimbursing the Institution the amount of any shortfall. Excess savings will not be used to reimburse the ESCO for any payments made due to shortfalls in other years.

Construction Management. The ESCO will be required to work with current building management and maintenance personnel in order to coordinate construction and provide appropriate training in operations and maintenance of all installed improvements. No equipment or other improvements will be installed that would require Institution to hire additional personnel unless contract negotiations produce an explicit exemption for a specific installation. Maintenance responsibilities shall be detailed in the ESA.

O & M Manuals. At least six operation and maintenance manuals for each site will be provided for all equipment replacements and/or upgrades. Manuals are subject to approval of the Institution.

As-Built Drawings. Where applicable, ESCO must provide mylar, reproducible "as-built" and record drawings (or such electronic equivalents as may be agreed to with Institution) of all existing and modified conditions associated with the project, conforming to typical engineering standards. These should include architectural, mechanical, electrical, structural, and control drawings and operating manuals within 30 days of completed project installation.

Follow-up Maintenance, Monitoring and Training Services. The ESCO will be responsible for maintaining and monitoring the measures to ensure optimal performance as well as for ongoing training, however, the Institution has the option to negotiate the scope of service needed.

Institution Energy Improvement Projects. Institution reserves the right to make energy and/or water improvements to the facility and to negotiate adjustments to the savings measurement and verification methodology to account for such improvements.

2. Minimum Contract Provisions

Proposal Submissions. The contents of the ESCO's RFP submission will become part of any final agreement between Institution and the ESCO.

Project Schedule. The ESCO must provide a final schedule of project milestones including construction, equipment-service and preventive maintenance provisions that will become part of any final contract. In the event any milestone or service provision is not met as scheduled, without prior approval from the Institution, the Institution reserves the right to consider it a default and withdraw from all contractual obligations without penalty.

Institution Inspection. The Institution retains the right to have its representative visit the site during the audit and implementation phases of the Project, and to attend relevant on-site or off-site meetings of the ESCO and/or its subcontractors. The Institution will have the right to inspect, test and approve the materials and work conducted in the facilities during construction and operation. The Institution shall have the right and access to the account books, records, and other compilations of data that pertain to the performance of the provisions and requirements of the agreement. Records shall be kept on file in legible form and retained for a minimum of three years after close-out.

Final Approval of Institution. The Institution retains final approval over the scope of work and all end-use conditions.

Ownership of Drawings, Reports and Materials. All drawings, reports and materials prepared by the ESCO specifically in performance of this contract shall become the property of the Institution and will be delivered to Institution as needed, requested or upon completion of construction.

Compliance. All work completed under this contract must be in compliance with all applicable federal, state and local laws, rules and regulations including all building codes and appropriate accreditation, certification and licensing standards. Work must be in accordance with sound engineering and safety practices, be installed in a workmanlike manner and be in compliance with all Institution regulations relative to the premises. The ESCO and its subcontractors will be responsible for obtaining any and all required governmental permits, consents and authorizations, and for payment of any and all state and city required taxes and fees which result from this contract.

Handling of Hazardous Materials. All work completed under this contract must be in compliance with all applicable federal, state and local laws, rules and regulations regarding waste disposal and treatment/disposal of any hazardous materials that could result from the Project. Work must also be in accordance with sound engineering and safety practices, and in compliance with all Institution rules relative to the premises.

Methodology to Adjust for Material Changes. The contract must contain a mutually acceptable clause whereby unanticipated changes in facility use, occupancy, schedule and/or utility rates can be accommodated in a fair manner agreeable to both parties.

Hiring and Wage Requirements. The proposer shall warrant and represent that it is an equal opportunity employer and that it does not unlawfully discriminate or discriminate against anyone due to race, creed, color, age, sex, national origin, disability or handicap. If applicable, the ESCO will comply with all requirements for the payment of prevailing wages and minority and women-owned business enterprises.

Subcontractor Approval. Institution retains the right to approve any ESCO selected subcontractor prior to its commencement of work on this project. Names and qualifications of subcontractors must be submitted at least 1 week in advance of subcontractor scheduled start date.

Price Disclosure. The ESCO may be required to fully disclose all costs and fees associated with this project including audit, design, engineering, equipment, installation, financing, commissioning, monitoring, overhead, profit, etc.

Bonding Requirements. Prior to the commencement of work, The ESCO shall procure and provide to the Department the Performance and Payment bonds specified in **Attachment D**.

Insurance Requirements. Prior to the commencement of work, the ESCO must provide evidence of insurance for both the construction and operations phases of the project.

Annual Reconciliation. Project savings will be verified and reconciled on an annual basis. ESCO will provide timely monthly savings reports to Institution, unless otherwise agreed to by the parties.

Contract Term. No contract shall exceed the average useful life of the energy conservation measures or 20 years in duration and may be subject to annual appropriations. All projects undertaken must complete the required pay-back period within the term of the contract.

Dispute Resolution. The contract will contain an Alternative Dispute Resolution provision.

PART IV

INSTRUCTIONS TO PROPOSERS

Failure to complete any question in whole or in part, or any deliberate attempt by the proposer to mislead Institution, may be used as grounds to find the proposing ESCO ineligible.

PROPOSAL SUBMITTAL INFORMATION

ESCOs who wish to have proposals considered by Institution must submit 6 copies of Part IV-A (ESCO Profile and Qualification Form) and Part IV-B (ESCO's Proposed Approach to Project) and 6 copies of the documents listed in Part IV-C (Supporting Technical Documents), by 4:00 PM on December 19, 2008 to the following address:

Terry DeVaughn

5898 County Road 41

Clanton, AL 35046

Responses will be opened on January 5th, 2009 at 9AM.

PART IV-A.

ESCO PROFILE AND QUALIFICATIONS FORM

Each ESCO is required to fully answer all questions in each category listed below. Provide responses on 8 ½ " x 11" sheets of paper and number and title each answer to the corresponding category. Font size should be no smaller than 10 point. All pages in your response should be numbered sequentially. ESCOs must also include a table of contents which indicates the section and page numbers corresponding to the information included.

All questions must be addressed by the ESCO in order for this application form to be properly completed. Failure to answer any question, or comply with any directive contained in this form may be used by the Institution as grounds to find the ESCO ineligible. If a question or directive does not pertain to your firm in any way, please indicate with the symbol N/A.

A-1. Firm Name_____

Business Address_____

City_____ **State**_____

County_____ **Zip Code**_____

Email_____ **Fax#**_____

A-2. Names and Titles of Two Contact People

1)_____ Phone (_____)_____

2)_____ Phone (_____)_____

A-3. Submittal is for:

- Parent Company (List any Division or Branch Offices to be involved in this project)
- Division (attach separate list if more than one is to be included)
- Subsidiary

• Branch Office Name of Entity: _____
 Address: _____

A-4. Type of Firm:

- Corporation
- Partnership
- Sole Ownership

- Joint Venture
- Limited liability company
- other

A-5. Federal Employer Identification Number _____

A-6. Year Firm was Established _____

A-7. Name and Address of Parent Company, if applicable: _____

A-8. Minority Business Information (*If applicable to your agency's policies or requirements*)

a. **Recognized MWBE.** Is your firm a recognized Minority or Woman-owned Business Enterprise ? Yes _____ No _____

b. **Category.** If yes, please indicate the appropriate category.

_____ American Indian	_____ Spanish Surname
_____ Asian-American	_____ Woman-Owned
_____ African-American	_____ Other

c. **Certifying Agencies.** If yes, indicate which jurisdictions or certifying agencies recognize your firm's MWBE status.

d. **Accommodation.** If no, attached summary how you will accommodate MWBE preferences.

A-9. Five Year Summary of Contract Values for Energy Performance Contracting Projects where your firm was the prime contractor with a first party written savings guarantee to the Institution: (Note: If you are a branch office of a larger firm, indicate only those contract values associated with that specific branch.)

2008: \$ _____ (to date)

2007: \$ _____

2006: \$ _____

2005: \$ _____

2004: \$ _____

2003: \$ _____

A-10. Corporate Background/Historical Data

- a. How many years has your firm been in business under its present business name? ____ Years
- b. Please identify all states in which your firm is legally qualified to do business. _____
- c. Indicate all other names by which your organization has been known and the length of time known by each name. _____
- d. How many years has your firm been involved in energy-related business? ____ Years
- e. Certify that your company does not owe the state of Alabama any taxes.
- f. Certify that your company is not currently under suspension or debarment by the state of Alabama, any other state, or the federal government.
- g. Identify your firm's legal counsel for this project. Give the name and address of the primary individual responsible for contract negotiation.
- h. Indicate your firm's current annual gross revenue.

A-11. Technical Qualifications And Personnel Information

a. Indicate the number of all guaranteed energy savings contracting projects currently under contract with your firm. Limit your response to ONLY those projects that have been managed directly by the specific branch, division, office, or any individual in such branch, division or office who will be specifically assigned to this project. Indicate the installed project cost value, and identify all projects currently in repayment. Attach additional sheets as necessary.

b. Using the format provided below, briefly describe the relevant experience, qualifications and educational background for **ONLY** those **PRIMARY** team members (no more than 10 individuals) **who will directly be working on this project. Do not include individual resumes.**

Name of Project Team Member:	
Current Job Title: Job responsibilities: Number of years with ESCO: Primary Office Location:	
Employment History Company Name: Primary job responsibilities: Number of years with firm:	
Educational Background List all academic degrees, certifications, professional affiliations, relevant publications and training.	
List all energy performance contracting projects this individual has been involved with during past 5 years. Include project location, type of facilities, year implemented and dollar value of project costs.	
Describe the specific role and responsibilities this individual had for each listed project.	
Provide a detailed description of the role and responsibilities this individual will have for the duration of this project.	
Describe any other relevant technical experience.	
Indicate the total years of relevant energy-related experience for this individual.	

c. Submit an organizational chart that clearly identifies the roles and relationships of all key team members. Indicate **ONLY** those individuals who will play a **DIRECT** role in this project.

d. Indicate if your firm is accredited by the National Association of Energy Service Companies (NAESCO). ESCOs are not required to be accredited by NAESCO. All NAESCO accredited ESCOs may receive additional points. ***In the event an ESCO is not certified a detailed accounting of projects awarded will be required, the agency seeking the contract has the right to require further documentation as necessary.***

A-12. FINANCIAL REFERENCES

- a. Provide a copy of your firm's most recent annual report. Provide a Balance Sheet and Cash Flow statement not more than fifteen (15) months old.
- b. Please provide the name, address, and the telephone number of the firm(s) that prepared the Financial Statements.
- c. Please enclose banking references including financial institution, address, contact person, telephone number, and specific information on your firm's credit that may be used to fund construction for large- scale projects.
- d. Enclose bonding references including company name, address, contact person, telephone number and information on your firm's maximum bonding capability.

A-13. Energy Performance Contracting Project History And Client References

Using the form on the following page, list at least 5 energy performance contracting projects in repayment by and currently under contract with your firm. Limit your response to ONLY those projects that have been managed directly by the specific branch, division, office or any individual in such branch, division or office who will be specifically assigned to this project. Projects with installed costs of less than \$750,000.00 or single technology (e.g. lighting only, controls only, etc.) will not be considered. Attach additional sheets as necessary. Please put an asterisk by those project references involving projects with measures and buildings similar to those proposed for this project.

A-14. Invoked Savings Guarantees.

- a. Please provide a list of projects and appropriate contact information for which payment was made under the savings guarantee.
- b. Please provide a list of projects and appropriate contact information for which payment under the savings guarantee was claimed but for which no payment was eventually made. Please explain the resolution of the matter such that a payment was not made.

PROJECT HISTORY AND CLIENT REFERENCE FORM

ALL INFORMATION REQUESTED IS REQUIRED.

Project Name and Location Number of Buildings Primary Use Total square footage	
Project Dollar Amount (installed project costs) Source of Project Financing	
Primary ECMs Installed ESCO Services Provided	
Construction Start & End Dates	
Contract Start & End Dates	
Dollar Value and Type of Annual Operational Cost Savings (if applicable) (e.g., outside maintenance contracts, material savings, etc.)	
Method(s) of Savings Measurement and Verification	
Provide CURRENT and ACCURATE telephone and FAX numbers of the owner(s)' representatives with whom your firm did business on this project. You should ensure that all representatives are familiar with this project.	
Describe the specific roles and responsibilities of ESCo personnel associated with the identified project, limiting your response to only those personnel who will be directly involved in Institution's project.	
ESCO Notes or Comments	

Complete the following information for each of the projects listed.

ANNUAL ENERGY SAVINGS DATA FORM

Name of Project: _____ Name of ESCO: _____

	Projected	Guaranteed	Achieved				
			Year 1	Year 2	Year 3	Year 4	Year 5
KWH							
Therms							
KW							
Water Gallons							
Other (Specify)							

Information for each of the headings listed above MUST be completed using the above format. DO NOT provide savings data in terms of BTU's or dollars. Data should be given in the form of fuel units which appear in the utility bills. Additional forms should be reproduced as needed.

ANNUAL ENERGY SAVINGS DATA FORM

Name of Project: _____ Name of ESCO: _____

	Projected	Guaranteed	Achieved				
			Year 1	Year 2	Year 3	Year 4	Year 5
KWH							
Therms							
KW							
Water Gallons							
Other (Specify)							

PART IV-B

ESCO's PROPOSED APPROACH TO PROJECT

PROJECT MANAGEMENT

B-1. Project Summary (not to exceed 2 pages)

Summarize the scope of services (design, financial, operations, maintenance, training, etc.) offered by your firm for this project including the added value of your firm's services.

B-2. Training Provisions

Describe your firm's proposed approach to providing technical training for facility personnel. Indicate the proposed number of personnel to be trained and the type and frequency of training to be provided for the duration of the contract. Indicate how your firm will address any turnover of key facility personnel as it relates to project performance.

B-3. Project Financing

Describe your firm's preferred approach to providing or arranging financing for this project. Describe the structure of the financing arrangement including projected interest rate, financing term, repayment schedule, equipment ownership, security interest required, the responsibilities/liabilities of each party, and any special terms and conditions that may be associated with the financing of this project. Describe how construction will be financed.

B-4. Cost of Investment Grade Energy Audit

Indicate the total cost of the investment grade energy audit to Institution if no contract is negotiated. Please see Attachment B- Proposed Investment Grade Energy Audit Agreement for specific technical terms and conditions.

B-5. Preliminary Technical Approach

Based on your preliminary assessment of the project sites and information provided, please describe any equipment modifications, installations or replacements at the facilities that your company would consider installing as a part of this project. Please discuss site conditions, status of building systems and needs of the Institution.

B-6. Energy Baseline Calculation Methodology

Describe the methods you expect to use to compute baseline energy use for this project. Describe any computerized modeling programs used by your firm to establish baseline consumption. Describe factors that would necessitate a baseline adjustment. Describe the methods you will use to adjust the guaranteed level of savings from any material changes that occur due to such factors as weather, occupancy, facility use changes, etc.

B-7. Procedure for Calculating Energy and Cost Savings

Please summarize procedures, formulas and methodologies including any special metering or equipment, your firm will use to measure and calculate energy savings for this project. Indicate how your firm identifies, documents and measures operational cost savings opportunities. Describe your firm's proposed approach to the treatment of savings achieved during construction and how those savings will be documented and verified. See Part IV, B-10 of this RFP for the escalation rates to be used for the purposes of preparing the preliminary cash flow analysis.

B-8. Construction Management

Describe how your firm would work with current building management and maintenance personnel in order to coordinate construction and avoid conflicts with the building's operation and use.

B-9. Approach to Equipment Maintenance

Describe any major changes in operations or maintenance for this project that your company anticipates. Include a description of the types of maintenance services that may be proposed for this project. Address how you would approach the role of Institution's personnel in performing maintenance on the new and existing equipment. Discuss the relationship of maintenance services to the savings guarantee, any required duration of the maintenance agreement, and what impact termination of maintenance prior to the end of the contract term would have on the savings guarantee.

B-10 Allowable Escalation Rates

The following energy and interest rates should be used in calculations. If another rate is used, it must be identified.

Annual Interest Rate:	5%
Electric Rate	5%
Natural Gas	5%
Water	5%

B-11 Responsiveness to Critical Timing Issues

Estimate the amount of time needed between the receipt of the signed contract for the investment grade audit and the completion of that investment grade audit in a ready to present form. Indicate any portions of the project that could be fast tracked assuming the institution is acting in concert with these same fast track goals.

SUPPORTING TECHNICAL DOCUMENTS

The following documents must also be submitted in accordance with the instructions specified at the beginning of Part IV of this RFP.

Sample Investment Grade Audit

Sample Commissioning Plan

Sample Measurement & Verification Plan

Sample Maintenance Plan

Sample Savings Report to Institution

Sample Design Documentation

Attachments which should be included with the RFP are:

Attachment A: Technical Facility Profile

Attachment B: Proposed Energy Audit Agreement

(optional) Attachment C: Minimum Insurance Requirements

(optional) Attachment D: Minimum Bond Requirements

Attachment A

TECHNICAL FACILITY PROFILE

INSTRUCTIONS FOR PREPARATION OF THE TECHNICAL FACILITY PROFILE(S)
BY THE BUILDING OWNER FOR INCLUSION IN THE
REQUEST FOR PROPOSALS

OVERVIEW

The Energy Service Companies will need a description of your facilities to evaluate the opportunity for a successful energy performance contract. It is impractical to supply every technical detail available in the RFP. It is suggested that you be prepared to respond to requests for additional data from individual ESCOs. The RFP will contain a brief description of your facilities and a list of any energy retrofit projects you wish to be investigated and evaluated through this project. You should also be prepared to provide the data in Section VII upon request by individual ESCOs.

SECTION I: GENERAL FACILITY DATA

1. Name of Building: Alabama Emergency Management Agency
2. Address of Building: 5898 County Road 41, Clanton Alabama 35046
3. Primary Use: State of Alabama Emergency Operations Center/Offices for EMA employees
4. Building Operator: Terry DeVaughn Phone: (205) 280-2245
5. Year constructed: 1989

Formatted: Bullets and Numbering

SECTION II: OPERATING DATA

1. Please describe the typical hours of operation for your facility. Include the general summer and winter temperature setpoints for your facility, and if night setback is done, what your target temperature is.

HVAC runs 24/7. The temperature set point is approximately 70 degrees during the winter and summer months. There is no night set back.

2. Please describe the manufacturer(s), age, type and condition of the HVAC control system(s) used in the building(s).

The manufacturer of the HVAC control system is Carrier. The system is approximately 17 years old. The pneumatic does not work properly.

3. If you have an operating EMS controlling your building, please list the manufacturer, year installed and operating conditions.

N/A

SECTION III: PHYSICAL DATA

1. Give the total square footage of conditioned space. If the total areas which are heated and cooled differ in size, please describe their respective sizes.

Approximately 23,058 sq. ft.

2. Briefly describe the predominant wall and roof construction. Also describe the type and condition of existing windows.

Walls - Reinforced poured concrete one foot (1')

Roof – Reinforced poured concrete, membrane and gravel

No windows

SECTION IV: ENERGY AND/OR WATER CONSUMPTION DATA

Please summarize utility consumption and costs over the last three years. If you are buying contract gas, give your monthly price history, if available, on a separate sheet for your cost of gas. Please attach copies of utility rate schedules which apply to your building.

See attached sheets

SECTION V: ENERGY SYSTEMS DATA

Please provide as much of the following information as is available.

1. Briefly describe the major type(s) of HVAC system(s) serving your building (i.e.; terminal reheat, multizone, variable air volume, etc.). Indicate the main fuels used to operate the heating and cooling systems.

Chilled water system. Terminal reheat, electric. See attached utility rate schedule

2. Estimate the percentage of total area lighted by fluorescent ballasts and bulbs, and incandescent bulbs. Estimate the approximate annual hours of operation for each type of lighting. If you have a significant amount of HID lighting, please describe it in similar terms.

99%

3. Briefly describe any laundry or food facility which you operate.

N/A

4. Briefly describe any major labs or medical equipment you operate.

N/A

5. Describe your domestic water heating, distribution, and control system(s).

Electric, 300 gallon, circulating pump

6. Please describe any other energy consuming equipment or facilities which contribute significantly to your annual energy consumption (e.g., incinerator, pool, etc.).

N/A

SECTION VI: IMPROVEMENT OPPORTUNITIES

1. Briefly describe any serious equipment, operating, or comfort problems in your building(s). Identify any major mechanical, control, or electrical systems scheduled for replacement during the next five years.

We plan to replace items only if necessary. There are hot and cold zones in all areas of the building. Thermostats are all inaccurate.

2. Briefly list any major energy conservation options identified by a previous analysis of your building.

N/A

3. Please describe any building improvements that you would like to investigate during this project.

SECTION VII: ADDITIONAL SITE DATA PROVIDED UPON ESCO REQUEST (IF AVAILABLE)

1. Two sample utility bills (winter and summer) for each fuel type used in the last three years.

See Attached Utility bills

2. A more detailed schedule of major mechanical equipment including age, replacement history manufacturer, size, capacity, hours of operation, and areas served.

Plans are available at the building

3. Copies of any previous technical analysis or recommendations of energy conservation opportunities that have been for your building.

N/A

4. Detailed documentation related to your energy management system.

5. Current rate schedules for each type of fuel/energy used.
See attached rate schedules.

Water Bills	
08/03/05-08/31/05	\$190.48
08/31/05-10/03/05	\$190.48
10/03/05-11/01/05	\$190.48
11/01/05-12/07/05	\$482.84
12/07/05-01/05/06	\$317.47
01/05/06-02/13/06	\$390.43
02/16/06-03/16/06	\$350.00
03/16/06-04/13/06	\$341.79
04/13/06-05/16/06	\$273.69
05/16/06-06/14/06	\$229.91
06/15/06-07/18/06	\$220.19
07/18/06-08/17/06	\$206.81
08/17/06-09/19/06	\$260.79
09/19/06-10/19/06	\$249.44
10/19/06-11/14/06	\$289.16
11/14/06-12/13/06	\$408.31
12/13/06-01/17/07	\$510.45
01/17/07-02/15/07	\$470.73
02/15/07-03/15/07	\$589.88
03/15/07-04/16/07	\$499.10
04/13/07-05/15/07	\$465.05
05/15/07-06/15/07	\$300.51
06/15/07-07/16/07	\$249.44
07/16/07-08/10/07	\$225.08
08/10/07-09/12/07	\$255.12
09/12/07-10/12/07	\$206.81
10/12/07-11/09/07	\$814.46
11/09/07-12/11/07	\$1978.47
12/17/07-01/11/08	\$1090.57
01/11/08-02/12/08	\$260.79
02/12/08-03/12/08	\$260.79
03/12/08-04/09/08	\$243.35
04/09/08-05/09/08	\$187.76
05/09/08-06/10/08	\$311.86
06/10/08-07/11/08	\$601.23
07/11/08-08/12/08	\$635.27
TOTAL	\$14,748.99

~EMA - Clanton

STATE OF ALABAMA
5898 COUNTY ROAD 41 / CLANTON, AL, 35045
Account Contact: David Stewart
Customer Primary Contact: Larry Knox

Electrical Use Summary

Account, Billing Information View
Display: Basic Information
Time Period: 12 Months
Alabama Power Company Account:
3203386004
Rate: LPMESEC

Month	Meter Read	Billing Days	Total kWh	Peak kW Demand	Electric Service Total	Average Cost
September '04	09/14/04	33	132,560	200	\$8,442	6.37¢
October '04	10/13/04	29	111,120	202	\$6,735	6.06¢
November '04	11/11/04	29	113,520	195	\$6,791	5.98¢
December '04	12/13/04	32	133,440	213	\$7,859	5.89¢
January '05	01/13/05	31	126,720	211	\$6,974	5.50¢
February '05	02/12/05	30	122,560	211	\$6,833	5.58¢
March '05	03/14/05	30	124,320	210	\$6,881	5.54¢
April '05	04/13/05	30	113,360	204	\$6,710	5.92¢
May '05	05/10/05	27	98,480	186	\$5,949	6.04¢
June '05	06/14/05	35	119,040	184	\$8,236	6.92¢
July '05	07/13/05	29	105,280	199	\$7,688	7.30¢
August '05	08/15/05	33	128,400	197	\$8,859	6.90¢
Total		368	1,428,800		\$87,957	
Peak		35	133,440	213	\$8,859	7.30¢
Average		30	119,066	201	\$7,329	6.16¢

EnergyDirect.com
Printed By: Larry Knox / ADECA (Energy Weatherization & Technology Div)
Primary User: Larry Knox / ADECA (Energy Weatherization & Technology Div)
Wednesday, September 10, 2008



G

~EMA - Clanton

STATE OF ALABAMA
 5898 COUNTY ROAD 41 / CLANTON, AL, 35045
 Account Contact: David Stewart
 Customer Primary Contact: Larry Knox

Electrical Use Summary

Account, Billing Information View
 Display: Basic Information
 Time Period: 12 Months
 Alabama Power Company Account:
 3203386004
 Rate: LPMESEC

Month	Meter Read	Billing Days	Total kWh	Peak kW Demand	Electric Service Total	Average Cost
September '05	09/13/05	29	115,440	204	\$8,235	7.13¢
October '05	10/12/05	29	111,840	198	\$6,484	5.80¢
November '05	11/09/05	28	106,320	190	\$6,303	5.93¢
December '05	12/10/05	31	121,040	194	\$6,857	5.67¢
January '06	01/11/06	32	107,920	190	\$7,092	6.57¢
February '06	02/10/06	30	98,320	168	\$6,640	6.75¢
March '06	03/13/06	31	101,360	179	\$6,774	6.68¢
April '06	04/11/06	29	107,840	192	\$7,170	6.65¢
May '06	05/12/06	31	116,240	205	\$7,713	6.64¢
June '06	06/12/06	31	116,800	198	\$9,238	7.91¢
July '06	07/14/06	32	123,040	198	\$9,644	7.84¢
August '06	08/11/06	28	106,160	194	\$8,581	8.08¢
Total		361	1,332,320		\$90,731	
Peak		32	123,040	205	\$9,644	8.08¢
Average		30	111,026	192	\$7,560	6.81¢

EnergyDirect.com
 Printed By: Larry Knox / ADECA (Energy Weatherization
 & Technology Div)
 Primary User: Larry Knox / ADECA (Energy
 Weatherization & Technology Div)
 Wednesday, September 10, 2008



2

~EMA - Clanton

STATE OF ALABAMA
5898 COUNTY ROAD 41 / CLANTON, AL, 35045
Account Contact: David Stewart
Customer Primary Contact: Larry Knox

Electrical Use Summary

Account, Billing Information View
Display: Basic Information
Time Period: 12 Months
Alabama Power Company Account:
3203386004
Rate: LPMESEC

Month	Meter Read	Billing Days	Total kWh	Peak kW Demand	Electric Service Total	Average Cost
September '06	09/14/06	34	130,960	199	\$10,149	7.75¢
October '06	10/11/06	27	102,560	201	\$6,971	6.80¢
November '06	11/13/06	33	129,120	204	\$8,316	6.44¢
December '06	12/13/06	30	122,800	214	\$8,122	6.61¢
January '07	01/11/07	29	112,400	213	\$8,206	7.30¢
February '07	02/13/07	33	133,120	221	\$9,326	7.01¢
March '07	03/14/07	29	103,840	210	\$7,793	7.50¢
April '07	04/12/07	29	109,680	208	\$8,044	7.33¢
May '07	05/14/07	32	126,400	218	\$8,964	7.09¢
June '07	06/13/07	30	123,440	209	\$10,374	8.40¢
July '07	07/13/07	30	131,200	214	\$11,998	9.14¢
August '07	08/14/07	32	137,840	213	\$12,459	9.04¢
Total		368	1,463,360		\$110,722	
Peak		34	137,840	221	\$12,459	9.14¢
Average		30	121,946	210	\$9,226	7.57¢

EnergyDirect.com
Printed By: Larry Knox / ADECA (Energy Weatherization
& Technology Div)
Primary User: Larry Knox / ADECA (Energy
Weatherization & Technology Div)
Wednesday, September 10, 2008



3

~EMA - Clanton

STATE OF ALABAMA
 5898 COUNTY ROAD 41 / CLANTON, AL, 35045
 Account Contact: David Stewart
 Customer Primary Contact: Larry Knox

Electrical Use Summary

Account, Billing Information View
 Display: Basic Information
 Time Period: 12 Months
 Alabama Power Company Account:
 3203386004
 Rate: LPMESEC

Month	Meter Read	Billing Days	Total kWh	Peak kW Demand	Electric Service Total	Average Cost
September '07	09/13/07	30	120,480	206	\$11,100	9.21¢
October '07	10/11/07	28	113,600	206	\$8,839	7.78¢
November '07	11/09/07	29	113,920	214	\$9,122	8.01¢
December '07	12/11/07	32	131,440	216	\$10,109	7.69¢
January '08	01/14/08	34	140,080	223	\$11,460	8.18¢
February '08	02/12/08	29	112,000	216	\$9,650	8.62¢
March '08	03/12/08	29	98,880	186	\$8,573	8.67¢
April '08	04/14/08	33	109,920	182	\$9,260	8.42¢
May '08	05/13/08	29	102,560	190	\$8,805	8.59¢
June '08	06/12/08	30	102,640	190	\$10,267	10.00¢
July '08	07/14/08	32	116,160	194	\$11,389	9.80¢
August '08	08/12/08	29	103,040	190	\$10,302	10.00¢
Total		364	1,364,720		\$118,876	
Peak		34	140,080	223	\$11,460	10.00¢
Average		30	113,726	201	\$9,906	8.71¢

EnergyDirect.com
 Printed By: Larry Knox / ADECA (Energy Weatherization & Technology Div)
 Primary User: Larry Knox / ADECA (Energy Weatherization & Technology Div)
 Wednesday, September 10, 2008



4

~EMA - Clanton

STATE OF ALABAMA
5898 COUNTY ROAD 41 / CLANTON, AL, 35045
Account Contact: David Stewart
Customer Primary Contact: Larry Knox

Electrical Use Summary

Account, Billing Information View
Display: Technical Information
Time Period: 24 Months
Alabama Power Company Account:
3203386004
Rate: LPMESEC

Month	Peak kW Demand	Bill Demand	HUD	Load Factor	Pk Excess KVA	Electric Service Total
September '06	199	203	658	81%	0	\$10,149
October '06	201	204	510	79%	0	\$6,971
November '06	204	207	633	80%	0	\$8,316
December '06	214	214	574	80%	0	\$8,122
January '07	213	213	528	76%	0	\$8,206
February '07	221	221	602	76%	0	\$9,326
March '07	210	214	494	71%	0	\$7,793
April '07	208	211	527	76%	0	\$8,044
May '07	218	219	580	75%	0	\$8,964
June '07	209	211	591	82%	0	\$10,374
July '07	214	217	613	85%	0	\$11,998
August '07	213	215	647	84%	0	\$12,459
September '07	206	209	585	81%	0	\$11,100
October '07	206	209	551	82%	0	\$8,839
November '07	214	218	532	76%	0	\$9,122
December '07	216	218	609	79%	0	\$10,109
January '08	223	223	628	77%	0	\$11,460
February '08	216	216	519	74%	0	\$9,650
March '08	186	195	532	76%	0	\$8,573
April '08	182	195	604	76%	0	\$9,260
May '08	190	195	540	78%	0	\$8,805
June '08	190	198	540	75%	0	\$10,267
July '08	194	201	599	78%	0	\$11,389
August '08	190	198	542	78%	0	\$10,302
Total						\$229,598
Peak	223	223	658	85%	0	\$12,459
Average	205	209			0	\$9,566

EnergyDirect.com

Printed By: Larry Knox / ADECA (Energy Weatherization
& Technology Div)

Primary User: Larry Knox / ADECA (Energy
Weatherization & Technology Div)

Wednesday, September 10, 2008



5

~EMA - 62203

STATE OF ALABAMA
600 5TH AVE N UNIT S400 / CLANTON, AL, 35045
Account Contact: EnergyDirect.com Customer Service
Customer Primary Contact: Larry Knox

Electrical Use Summary

Account, Billing Information View
Display: Basic Information
Time Period: 12 Months
Alabama Power Company Account:
6220383028
Rate: LPSESEC

Month	Meter Read	Billing Days	Total kWh	Peak kW Demand	Electric Service Total	Average Cost
October '07	10/02/07	27	10,600	40	\$1,090	10.28¢
November '07	11/02/07	31	9,960	38	\$1,049	10.54¢
December '07	12/01/07	29	6,360	60	\$769	12.10¢
January '08	01/03/08	33	11,680	72	\$1,375	11.77¢
February '08	02/01/08	29	13,120	69	\$1,511	11.52¢
March '08	03/04/08	32	10,680	42	\$1,191	11.15¢
April '08	04/02/08	29	6,480	37	\$775	11.95¢
May '08	04/30/08	28	6,120	30	\$739	12.08¢
June '08	05/31/08	31	7,440	36	\$981	13.19¢
July '08	06/30/08	30	8,520	35	\$1,093	12.82¢
August '08	08/01/08	32	11,840	37	\$1,404	11.86¢
September '08	09/02/08	32	11,960	42	\$1,414	11.82¢
Total		363	114,760		\$13,391	
Peak		33	13,120	72	\$1,511	13.19¢
Average		30	9,563	44	\$1,115	11.67¢

EnergyDirect.com

Printed By: Larry Knox / ADECA (Energy Weatherization & Technology Div)
Primary User: Larry Knox / ADECA (Energy Weatherization & Technology Div)
Wednesday, September 10, 2008



6

~EMA - 62413

STATE OF ALABAMA
600 5TH AVE N / CLANTON, AL, 35045
Account Contact: EnergyDirect.com Customer Service
Customer Primary Contact: Larry Knox

Electrical Use Summary

Account, Billing Information View
Display: Basic Information
Time Period: 12 Months
Alabama Power Company Account:
6241383028
Rate: LPSESEC

Month	Meter Read	Billing Days	Total kWh	Peak kW Demand	Electric Service Total	Average Cost
October '07	10/02/07	27	2,499	16	\$276	11.03¢
November '07	11/02/07	31	1,968	14	\$232	11.77¢
December '07	12/01/07	29	1,803	14	\$216	12.00¢
January '08	01/03/08	33	1,826	14	\$231	12.65¢
February '08	02/01/08	29	1,821	12	\$231	12.68¢
March '08	03/04/08	32	1,298	12	\$179	13.80¢
April '08	04/02/08	29	1,067	10	\$156	14.64¢
May '08	04/30/08	28	1,373	11	\$187	13.59¢
June '08	05/31/08	31	2,033	13	\$290	14.28¢
July '08	06/30/08	30	2,653	13	\$354	13.35¢
August '08	08/01/08	32	2,746	12	\$359	13.08¢
September '08	09/02/08	32	2,380	13	\$311	13.09¢
Total		363	23,467		\$3,022	
Peak		33	2,746	16	\$359	14.64¢
Average		30	1,955	12	\$251	12.88¢

EnergyDirect.com

Printed By: Larry Knox / ADECA (Energy Weatherization & Technology Div)
Primary User: Larry Knox / ADECA (Energy Weatherization & Technology Div)
Wednesday, September 10, 2008



7

Attachment B

SAMPLE ENERGY AUDIT AGREEMENT

**APPENDIX E
(Attachment B)**

**STATE OF ALABAMA
ENERGY PERFORMANCE CONTRACTING PROGRAM
MODEL ENERGY AUDIT AGREEMENT (DRAFT COPY)**

This Energy Audit Agreement is entered into on _____, 200_, by and between _____ (the "Institution") and _____ (the "Company"). The Institution and the Company are referred to herein as the "Parties".

Whereas, the Institution has issued a Request For Proposals (RFP) to identify a Qualified Provider for a guaranteed energy savings contract;

Whereas, the Company submitted a response to the RFP and participated in a competitive evaluation procedure designed to identify a Qualified Provider;

Whereas, the Institution has selected the Company as a Qualified Provider;

Whereas, the Institution is responsible for the operation, management and maintenance of _____ (the "Facility");

Whereas, a comprehensive energy use and savings analysis (the "Energy Audit") must be performed at the Facility in order to determine the feasibility of entering into an Energy Performance Contracting Project to provide for the installation and implementation of energy conservation measures (ECMs) at the Facility;

Whereas, if the ECMs are demonstrated to be feasible, and if the amount of energy savings can be reasonably ascertained and guaranteed in an amount sufficient to cover all costs associated with an energy performance contracting project at the Facility, the Parties intend to negotiate an Energy Services Agreement (ESA) under which the Company shall design, procure, implement, provide training, maintain and monitor such energy conservation measures at the Facility;

Therefore, the Parties agree as follows:

ARTICLE 1: SCOPE OF ENERGY AUDIT

The Company will perform the Energy Audit and prepare a detailed engineering and economic report (the "Report") which specifically identifies the energy improvements and operational changes which are recommended to be installed or implemented at the Facility. The Report shall contain detailed projections of energy and cost savings to be obtained at the Facility as a result of the installation of the recommended energy conservation measures (ECMs). The savings calculations must utilize assumptions, projections and baselines which best represent the true value of future energy or operational savings for the Facility, including accurate marginal cost for each unit of savings at the time the audit is performed; documented material and labor costs actually avoided; adjustments to the baseline to reflect current conditions at the Facility, compared to the historic base period; calculations which account for the interactive effects of the recommended ECMs; etc. The Report shall clearly describe how utility tariffs were used to calculate savings for all ECMs. The Report shall describe the Company's plan for installing or implementing the measures in the Facility, including all anticipated costs associated with such installation and implementation. The primary purpose of the Report is to provide an engineering and economic basis for

negotiating an ESA between the Institution and the Company; however, the Institution shall be under no obligation to negotiate such a contract.

The Company shall perform the following tasks in performing the Energy Audit and preparing the Report:

A. Collect General Facility Information

The Company shall collect general Facility information such as: size, age, construction type, condition and general use of the Facility. The Company shall also collect and summarize Facility utility cost and consumption data for the most recent 36-month period. Company shall evaluate the impact on utility cost and consumption for any energy measures currently being installed or currently contemplated to be installed by the Institution in the Facility which will remain separate from the Energy Services Agreement throughout the duration of the ESA.

Institution shall furnish (or cause its energy suppliers to furnish) all available records and data concerning energy and water usage for the Facility for the most current 36 month period, if available, including: Utility records; occupancy information; descriptions of any changes in the structure of the Facility or its heating, cooling, lighting or other systems or energy requirements; descriptions of all major energy and water consuming or energy and water saving equipment used in the Facility; and, description of energy management procedures presently utilized. The Facility shall also furnish a record of any energy related improvements or modifications that have been installed during the past three years, or are currently being installed or are currently contemplated to be installed by the Institution in the Facility separate from the Energy Service Agreement throughout the duration of that agreement. The Institution shall also provide copies of drawings, equipment logs and maintenance work orders to the Company insofar as this information is readily available.

B. Inventory Existing Systems and Equipment

Company shall compile an inventory based on a physical inspection of the major electrical and mechanical systems at the Facility, including:

- Cooling systems and related equipment
- Heating and heat distribution systems
- Automatic temperature control systems and equipment
- Air distribution systems and equipment
- Outdoor ventilation systems and equipment
- Kitchen and associated dining room equipment, if applicable
- Exhaust systems and equipment
- Hot water systems
- Electric motors 5 HP and above, transmission and drive systems
- Interior and exterior lighting
- Laundry equipment, if applicable
- Water consumption end uses, such as restroom fixtures, water fountains, irrigation, etc.
- Other major energy using systems, if applicable

The inventory shall address the following considerations:

1. The loads, proper sizing, efficiencies or hours of operation for each system; (Where measurement costs, facility operating or climatic conditions necessitate, engineering estimates

may be used, but for large fluctuating loads with high potential savings, appropriate measurements are required unless waived by the Institution).

2. Current operating condition for each system;
3. Remaining useful life of each system;
4. Feasible replacement systems;
5. Hazardous materials and other environmental concerns

The Company shall use data loggers and conduct interviews with Facility operation and maintenance staff regarding the Facility's systems operation, occupancy patterns and problems with comfort levels or equipment reliability.

C. Establish Base Year Consumption and Reconcile with End Use Consumption Estimates

Company shall examine the most recent 36 months of utility bills and establish Base Year consumption for electricity, fossil fuels and water by averaging, or selecting the most representative contiguous 12 months. Company shall consult with Facility staff and account for any unusual or anomalous utility bills which may skew Base Year consumption from a reasonable representation.

Company shall estimate loading, usage and/or hours of operation for all major end uses representing more than 5% in aggregate of total Facility consumption including, but not limited to:

- Water
- Lighting
- Heating
- Cooling
- HVAC motors (fans and pumps)
- Plug load
- Kitchen equipment
- Other equipment
- Miscellaneous

Where loading and/or usage are highly uncertain Company shall employ spot measurement and/or short term monitoring at its discretion, or at the request of the Institution. Reasonable applications of measurement typically include variable loads that are likely candidates for conservation measures, such as cooling equipment. The annual end use estimated consumption shall be reconciled with the annual Base Year consumption to within 5% for electricity (kWh), fossil fuels and water. The contribution to electric peak demand for each end use shall also be reconciled to within 5% of the annual Base Year peak. The "miscellaneous" category shall not be more than 5%. The purpose of this is to place reasonable limits on potential savings.

D. Develop List Of Potential Energy Conservation Measures (ECMs)

1. Identify and propose potential ECMs for installation or implementation at the facility, including water conservation measures;¹

¹ECMs that the Institution is particularly interested in are specified in Attachment A, and should be addressed in the Report. The attached list is **not** intended to be exhaustive nor limit the Company's evaluation and development of a comprehensive list of potential ECMs.

2. Estimate the cost, savings and life expectancy of each proposed ECM;
3. Specify Facility operations and maintenance procedures which will be affected by the installation/implementation of the proposed ECMs;
4. Provide analysis methodology, supporting calculations and assumptions used to estimate savings. Manual calculations should disclose essential data, assumptions, formulas, etc. so that a reviewer could replicate the calculations based on the data provided;
5. For savings estimates using computer simulations, Company shall provide access to the program and all inputs and assumptions used, if requested by the Institution;
6. Provide a preliminary savings measurement and verification plan for each proposed ECM;
7. Provide a preliminary commissioning plan for the proposed ECMs;
8. Provide detailed calculations for any rate savings proposals;
9. Provide detailed supporting calculations for any proposed maintenance savings;
10. Estimate any environmental costs or benefits of the proposed ECMs (e.g. disposal costs, avoided emissions, water conservation, etc.).

This list shall be compiled and submitted to the Institution within ____ days (120 days is recommended) of the execution of this Project Development Agreement.

E. Select Final Recommended ECMs

Company shall, in consultation with the Institution, recommend specific ECMs from its preliminary compilation for installation and implementation at the Facility.

F. Cost and Fee Estimates

Company shall provide detailed estimates of costs associated with the installation, implementation and commissioning of each of the ECMs proposed in the Audit including breakouts for labor, materials, and equipment. In addition, project cost data must be provided in the format included in Attachment B: ESCO Cost Proposal and Cash Flow Analysis.

Company shall also provide estimates of monthly costs associated with sustaining the project performance including breakouts for maintenance fees, monitoring fees, and training fees.

G. Savings Estimates

The Institution has endeavored to provide the Company with sufficient general and specific guidance in this Article 1 to develop the savings estimates for the Report. In the event that questions arise as to the calculation of savings or whether certain items will be allowed as savings, the Company should seek written guidance from the Institution. The Institution reserves the right to reject items claimed as savings which are not in the Institution's utility budget line or which have been claimed contrary to the guidance given in this agreement or contrary to written guidance given to Company.

The Institution also reserves the right to reject Company calculations of savings when it determines that there is another more suitable or preferable means of determining or calculating such savings.

For the purposes of completing the Cash Flow Analysis in Attachment B, the following items will be allowed as savings or in the development of savings:

Escalation rates of _____% for natural gas²
Escalation rates of _____% for electricity
Escalation rates of _____% for oil
Escalation rates of _____% for steam
Escalation rates of _____% for water
Escalation rates of _____% for other fuel type (specify)
Escalation rates of _____% for operation and maintenance cost savings
Escalation rates of _____% for material/commodity cost savings
Escalation rates of _____% for allowable labor savings

The following items will not typically be credited as savings derived from a proposed ECM. The Company may seek exemptions from the Institution on a case-by-case basis. However, the final determination of allowable savings in each case considered shall reside with the Institution:

Institution in-house labor cost
Institution deferred maintenance cost
Offset of future Institution capital cost

H. Report Format

The Report shall, at a minimum, include the following:

1. An executive summary which describes the facility, measures evaluated, analysis methodology, results and a summary table presenting the cost and savings estimates for each measure and for the project as a whole.
2. A discussion of measures not evaluated in detail and the explanation of why a detailed analysis was not performed.
3. A summary of all utility bills, Base Year consumption and how it was established, and end use reconciliation with respect to the Base Year including a discussion of any unusual characteristics and findings.
4. Detailed descriptions for each ECM including analysis method, supporting calculations (may be submitted in appendices), results, proposed equipment and implementation issues.
5. A discussion of the conclusions, observations and caveats regarding cost and savings estimates.
6. Thorough appendices which document the data relied upon to prepare the analysis and how that data was collected.

² It should be noted that the base rate value for each fuel and water unit will not devalue in the event of any rate decrease. The Institution reserves the right to impose ceiling rates for fuel escalations.

The Report shall be completed within _____ days (*120 days is recommended*) of the date of execution of this Energy Audit Agreement. The cost for the completed Energy Audit and Report will be _____.

ARTICLE 2: ENERGY SERVICES AGREEMENT (ESA)

The Parties intend to negotiate an ESA under which the Company shall design, install and implement energy conservation measures which the Parties have agreed to and provide certain training, maintenance and monitoring services. However, nothing in this Agreement should be construed as an obligation on any of the Parties to execute such an ESA. The terms and provisions of such an ESA shall be set forth in a separate agreement.

ARTICLE 3: PAYMENT

Payment to Company for services performed in connection with the Energy Audit Agreement shall be made by Institution only in accordance with the provisions of Article 4 herein.

ARTICLE 4: TERMINATION

A. By Contractor:

Company may terminate this Agreement prior to the completion of the Energy Audit and Report or subsequent to the scheduled completion of the Energy Audit and Report if:

- (i) it determines that it cannot guarantee a minimum ____% savings in energy costs through the implementation of an energy performance contracting project at the Facility; or
- (ii) it determines that even though it can guarantee a ____% savings in energy costs, that amount would be insufficient to cover the costs associated with performing the Audit, installing energy conservation measures and related training, maintenance and monitoring services.

In the event Company terminates the Agreement pursuant to Section 4 A (i) or (ii) the Institution shall not be obligated to pay any amount to Company for services performed or expenses incurred by Company in performing the Energy Audit and Report required under this Agreement. Company shall provide the Facility with any Audit documents (preliminary notes, reports or analysis) which have been produced or prepared prior to the effective date of the termination. Company will return any documents or information that was provided by the Institution.

Termination under this section shall be effective upon Institution's receipt of written notification from the Company stating the reason for the termination and all documents which support termination pursuant to 4 A (i) or 4 A (ii) herein.

B. By Institution:

Institution may terminate this Agreement:

- (i) If the Company fails to complete the Energy Audit and deliver the Report to the Institution by the date established in Article 1 H. above; or fails to obtain a written extension of that date from the Institution. Termination under this subsection B (i) shall be effective upon Company's receipt of written notification from the Institution that the deadline for

submission of the Energy Audit and Report has past. In this event, the Institution shall not be obligated to pay any amount to Company for services performed or expenses incurred by the Company in performing the Energy Audit and preparing the Report required under this Agreement. Company shall provide the Facility with any Audit documents (preliminary notes, reports or analysis) which have been produced or prepared prior to the effective date of the termination. Company will return any documents or information that was provided by the Institution.

- (ii) If, prior or subsequent to the completion of the Energy Audit or Report, the Company notifies the Institution in writing that it is unable to guarantee a sufficient level of savings pursuant to subsection 4 A (i) or (ii) above. Termination under this subsection B (ii) shall be effective upon Company's receipt of written notification of termination from the Institution. In this event, the Institution shall not be obligated to pay any amount to Company for services performed or expenses incurred by Company in performing the Energy Audit and preparation of the Report required under this Agreement. Company shall provide the Facility with any Audit documents (preliminary notes, reports or analysis) which have been produced or prepared prior to the effective date of the termination. Company will return any documents or information that was provided by the Institution.
- (iii) If, prior or subsequent to the completion of the Energy Audit or Report, the Institution notifies the Company in writing that it has elected to terminate this Agreement and not enter into an ESA, the Institution shall reimburse the Company for either the actual expenses incurred or percent of the Audit and Report completed as of the effective date of the termination, the amount being determined as fair and equitable by the Institution. Termination under this subsection B (iii) shall be effective upon Company's receipt of written notification from the Institution.

Company agrees to provide the Institution with any records of expenses incurred and any preliminary notes, reports or analyses which have been produced or prepared prior to the effective date of the termination. Such documentation shall be used by the Institution to determine the extent of work completed by Company prior to termination and shall become the property of the Institution.

If after completion and acceptance of the Energy Audit, the Institution does not enter into an ESA with the Company within _____ days (*60 days is recommended*) after written acceptance of the Energy Audit, the Institution agrees to reimburse the Company for the cost of the Energy Audit as detailed herein. Termination under this subsection B (iii) shall be effective upon Company's receipt of written notification from the Institution. The Energy Audit and Report will become the property of the Institution.

It is clearly understood by both parties hereto that, if the Parties successfully negotiate and execute an Energy Services Agreement, no payment shall be due for the Energy Audit or Report under the terms of this Agreement. This Agreement shall automatically terminate upon the execution of an ESA by Company and the Institution for an energy performance contracting project at the Facility. It is further understood that provisions for payment for the Energy Audit shall be incorporated into the ESA.

ARTICLE 5: STANDARD TERMS AND CONDITIONS

SECTION 1. Agreement Term

The Agreement term shall commence on the date the Agreement is executed by the Institution and end on _____, unless earlier terminated pursuant to the provisions of Article 4 hereof. Notwithstanding, Company shall adhere to the deadlines set forth in Article 1 regarding the completion and submittal of the list of ECMs and the Report.

SECTION 2. Materials, Equipment and Supplies

The Company shall provide or cause to be provided all facilities, materials, equipment and supplies necessary to perform the Energy Audit and prepare the Report.

SECTION 3. Patent and Copyright Responsibility

The Company agrees that any material or design specified by the Company or supplied by the Company pursuant to this Agreement shall not knowingly infringe any patent or copyright, and the Company shall be solely responsible for securing any necessary licenses required for patented or copyrighted material utilized by the Company in the performance of the Energy Audit and preparation of the Report.

SECTION 4. Institution Access to Records

The Institution shall have the right, throughout the term of this Agreement and for a minimum of _____ years following completion of the Agreement, to inspect, audit and obtain copies of all books, records and supporting documents which Company is required to maintain according to the terms of this Agreement.

SECTION 5. Personnel

All personnel necessary for the effective performance of the Energy Audit shall be employed by Company and its designated subcontractors, shall be qualified to perform the services required under this Agreement, and shall in all respects be subject to the rules and regulations of Company governing staff members and employees. Neither Company, its designated subcontractors, nor its personnel shall be considered to be agents or employees of the Institution.

SECTION 6. Compliance with Applicable Law

In performance of its obligations pursuant to this Agreement, Company shall comply with all applicable provisions of federal, state and local law. All limits or standards set forth in this Agreement to be observed in the performance required under this Agreement are minimum requirements, and shall not affect the application of more restrictive federal, state or local standards applied to the performance of the Agreement.

SECTION 7. Waivers

No right of either party hereto shall be deemed to have been waived by non-exercise thereof, or otherwise, unless such waiver is reduced to writing and executed by the party entitled to exercise such right.

SECTION 8. Assignment

This Agreement may not be assigned by the Company without the prior written consent of the Institution.

SECTION 9. Federal Taxpayer Identification Number and Legal Status Disclosure

Under penalty of perjury, the Company certifies that ____-____ is the Company's correct Federal Taxpayer Identification Number and that the Company is doing business as a Corporation.

SECTION 10. Governing Law

This Agreement shall be governed by and construed only in accordance with the laws of the State of Alabama.

SECTION 11. Agreement

The following documents are incorporated in, and made a part of, this Agreement:

Attachment A - Facility's Recommended ECMs (Optional)

Attachment B - ESCO Cost Proposal and Project Cash Flow Analysis

(Note: Institution should include all required policy provisions which may include the following:)

Attachment I - Drug Free Workplace Provisions

Attachment II - Equal Employment Opportunity Clause

Attachment III - Certification of Capacity to Contract

Attachment IV - Americans With Disabilities Act

Attachment V - Certifications

SECTION 12. Project Management

All necessary and ordinary communications, submittals, approvals, requests and notices related to Project work shall be issued or received by:

For Institution:

For Company:

SECTION 13. Amendments

This Agreement and Attachments referenced in Section 11 herein constitute the entire Agreement between the Parties. No amendment hereof shall be effective until and unless reduced to writing and executed by the Parties.

ARTICLE 6: EXECUTION

IN WITNESS WHEREOF, the parties have executed this Agreement this ____ day of _____, 200__.

INSTITUTION _____

COMPANY _____

BY: _____

BY: _____

TITLE: _____

TITLE: _____

BY: _____

BY: _____

TITLE: _____

TITLE: _____

ATTACHMENT A

FACILITIES Recommended Energy Conservation Measures

Sample

ATTACHMENT B

ESCOs Cost Proposal and Project Cash Flow

**ESCOs COST PROPOSAL
ENERGY PERFORMANCE CONTRACT**

INSTITUTION NAME: _____ **ESCO NAME:** _____

VALUE OF HARD COSTS¹: \$ _____

Category of Service Fees	Estimated Percentage (%) of Hard Costs	Dollar (\$) Value of Service Fees
Investment Grade Energy Audit		
Design Engineering Fees		
Construction Management		
System Commissioning		
First Year Training Fees		
Annual Service Fees including: Measurement and Verification Maintenance Performance Monitoring On-going Training Services		
Contingency Costs		
Totals		

¹The total value of Hard Costs is defined in accordance with standard AIA definitions which include:

Labor Costs
Subcontractor Costs
Costs of Materials and Equipment, Temporary Facilities and Related Items
Miscellaneous Costs such as Permits, Bonds Taxes, Insurance, etc.

NOTE: Percentages should include all mark-ups, overhead, and profit. Figures stated as a range (e.g. 2%-5%) are not acceptable.